

## EXPERIENCING ORGANIZATION CLIMATE BASED ON HUMAN RELATIONS AND WITHDRAWAL BEHAVIOUR IN SELECTED BPO, TIRUCHIRAPPALLI

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### ABSTRACT

*Research on organizational climate has shown significant development in the recent past. The purpose of the present study is to propose a model that examines the relationship between human relations and withdrawal behavior of employees with an organizational climate in selected BPOs in Tiruchirappalli. A data of 220 employees were collected from middle and senior level employees from a structured survey instrument. The collected responses were subsequently tested by using structural equation modeling (SEM). Further, the hypothesized model was tested by path modeling. The finding suggests that Work Environment, Training and autonomy was the strongest predictors of organizational climate. The role of organizational climate among employees in BPOs is essential. The present study is an earnest effort in this direction to analyze the link between organizational climate and human relations related dimensions. Organizational climate also can be considered as a measuring yardstick to predict the reason for absenteeism, lateness and turnover intention.*

**KEYWORDS:** Organizational Climate, Human Relations, Autonomy, Integration, Participation, Supervisory Support & Training and Welfare

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### INTRODUCTION

In today's turbulent and dynamic environment, the vital development and survival of an organization depend on the knowledge, skills, and capabilities of its employees. At the same time, on the other hand, both depend even more on directing those skills and knowledge towards reaching organizational goals. Only satisfied employees will be dedicated and committed to their work, demonstrate creativity, innovation and aim towards meeting the needs and achieve maximum productivity. Thus, in today's times of fierce global competition, almost all organizations seek the opportunity to increase employee commitment, satisfaction and reduce employee withdrawal behavior and direct them to achieve organization objectivities and goals. For organizations managers, this means employing classical as well as motivational measures in the process of creating satisfied organization climate.

The concept of withdrawal behavior consists of factors related to the intention to leave the organization or intention to quit the organization. In more specific, employees considered looking for other organization to join

and actually leaving the present organization. These constructs would be frequently visible in employee's activities in the form of increased absenteeism, increased lateness, increased tardiness and a decrease in productivity. If employee withdrawal behaviors were left unchecked it may increase disrespect of supervisors, disturbing and interfering with coworkers, and at times may lead to not properly handling properties belonging to the organization. The employees working in the organization will display negative withdrawal behaviors if they are not satisfied with the existing organizational climate. Hulin, (1991) described that "Withdrawal behavior can be considered the ways in which an employee, who is dissatisfied with a situation, responds to it. Previous research proved that employee withdrawal behavior may lead to use organizational working hours for personal work, not participate or attentive or missing assigned meetings, taking longer breaks than allowed breaks, killing timing, wasting time by chatting with other employees and disturbing their productivity, arriving late to organization or leaving early from the organization and increase in sick leave (Kanungo & Mendonca, 2002). Therefore in this study employee withdrawal behavior is considered as the consequence of organizational climate.

## **ORGANIZATIONAL CLIMATE**

Organizational climate is measured as "the shared meanings organizational employees attached to events, policies, practices, procedures the experience and employee behavior beyond reward, support and expected (Ehrhart, Schneider, and Macey, 2014). In general, there is a lot of difference between organizational climate and organizational culture. Glazer, (2016) explained that organizational culture dictates behavior, whereas organizational climate provides a framework for the reference of an individual to make sense of belonging towards organizational life. Other researchers also argue that organizational culture is much broader than the organizational climate. The reason behind is organizational culture is only a surface appearance of culture and it focuses on the shared perceptions of employees instead of developing inner aspects of how organization functions or why employee behave differently in a different situation. Though organization climate is considered as direct observation and measurement of employees there were different methods and measurement instrumentation to evaluate (Pena-Suarez, Muniz, Campillo-Alvarez, Fonseca-Pedrero, & Garcia-Cueto, 2013). As researcher's measure organizational climate in different perspectives, it is generally accepted that organizational climate is a multidimensional impression.

Research consistently showed that perception of organizational climate directly affects employee withdrawal behavior and consequently it will affect the organizational performance. Organizational climate creates impact at the organizational level and employee level. At the organizational level, organizational climate influences productivity, the overall performance of the organization, workplace safety and finally production safety. At the employee level, it was identified that the organization climate influence job satisfaction, organizational commitment, creativity, innovation and job performance (Ibegbulam, Eze, & Akpom, 2017). Few studies also indicated that negative perceptions of the work environment would be the reason to trigger continuously employee's intention to quit or employee job withdrawal behavior (Liou & Cheng, 2010). At the same time, if employees perceive positively or if the organization provides right organization climate, the chances for employees to remain with the organization will increase and results in a reduction of negative employee withdrawal behavior like reduction in absenteeism and lateness.

## **FACTORS INFLUENCING THE ORGANIZATIONAL CLIMATE**

Within organizational settings or corporate settings, the particular needs of the situation might give rise to a number of different climates. For example, climate includes performance, satisfaction with a coworker, satisfaction with the job itself, absenteeism, performance, commitment and intention to turnover. Previous literature suggests four main dimensions (i) nature of work, (ii) the focus on support and rewards, (iii) interpersonal relationship, (iv) the nature of hierarchy provided a framework to help to define factors influencing the organizational climate. (Schneider, 1996).

## **SUMMARY OF SOME ORGANIZATIONAL CLIMATE MEASURES**

Kangis and William (2000) measured organizational climate based on perceived work environment instrument (PWE), which consists of 31 individual statements and 6 core dimensions. The dimensions are supervisory style, co-workers, work motivation, employee competence, decision making, and performance rewards. The author specified the nature of behavior as both functions of individual and environment.

Schulte (2006) measured organizational climate based on psychological climate, which consists of 94 statements with seven core dimensions. The dimensions are managerial support, company vision, open and clear communication, training focus, team focus, personnel support for service and finally rewards for service. The author mainly concentrated towards psychological and organizational climate.

Silva (2004) measured organizational climate based on organizational and safety climate inventory which consists of 22 individual statements. The core dimensions were safety climate content scale, safety as an organizational value scale, organizational safety practices sales, and finally personal involvement with safety scale. The research combined organizational climate questionnaire with safety climate questionnaire.

Johnson (2004) measured organizational climate based on quality culture and organizational climate survey. The author considered few demographic profiles and 86 culture and climate items. The author identified strengths and areas of development and to identify trends with regards to the areas being measured.

Neal (2000) measured organization climate based on organizational climate scales which consists of 35 items and 7 core dimensions. The dimensions are appraisal and recognition, Goal congruence, role clarity, Supportive leadership, participative decision making, professional growth, and professional interaction. The author measured employee perception regarding the work environment.

McMurray (2003) measured organizational climate with organization climate scale, which consists of 40 items and 5 core dimensions. The dimensions are autonomy, interpersonal communication, research, cohesion, and pressure. The researcher considered questionnaire and followed by semi-structured interviews. Ruiz-Moreno (2008) measured the organizational climate, by developing an organizational climate scale. The scale consists of 3 core dimensions were workload pressures, Cohesion and Management support.

Koene, Vogelaar, and Soeters (2002) measure organizational climate based on business organization climate index. The index consists of organization efficiency dimensions, readiness to innovate dimensions and finally general communication.

Schuite (2009) measured organizational climate based on an organizational climate survey. The survey consists of 94 items and 8 core dimensions. The dimensions are managerial support, company vision, open and clear communication,

training focus, team focus, clarity, personnel support, and rewards. The author of the survey mainly considered group meetings with employees, previous studies and exploratory factor analysis.

Brand and Wilson (2000) measure organizational climate based on Litwin and Stingers organizational climate survey questionnaire. The questionnaire consists of 40 individual statements and 9 core dimensions. The dimensions are structure, responsibility, warmth, support, standards, conflict, identity, recognition and risk.

Loewon and Loo (2004) measure organizational climate based on the team climate inventory. The inventory consists of 44 individual statements and 5 core dimensions. The dimensions are participative safety, support for innovation, Vision, Task orientation and Social Desirability. The author used this scale to assess the multidimensional nature of team climate.

Perryer (2009) measured organizational climate based on customer orientation organizational climate scale, which consists of 19 items and 8 core dimensions. The dimensions are employee knowledge consistent performance, confidential service, employee honesty, confidence in service, individual attention, employee appearance, and nice atmosphere. The author measured perceptions of individuals with regard to their organization places on the services it provides.

Wienand, Cinotti, Nicoli, and Bisagni (2007) measured organizational climate based on the survey of organizational climate on healthcare institutions. The survey consists of 50 individual statements and 8 core dimensions. The dimensions are Performance assessment and reward system, Leadership style in the unit, Job satisfaction, Organizational communication, Perceived quality of care, Team spirit and Training and development. The main aim of the author is to analyze the principal dimensions of organizational climate in an organization and to identify significant differences between groups of employees.

Lehman, Greener, and Simpson (2002) measured organizational climate based on organizational functioning and readiness for change. The instrument consists of 115 individual statements and 7 core dimensions. The dimensions are goal clarity, Cohesiveness, Autonomy, Openness of communication, Stress, and Openness to change. The author considered existing scales for measuring organizational climates and incorporating items specifically critical for readiness to change.

Based on the above different type of scales to measure organizational climate, it is understood that wide-ranging of dimensions and that researchers differ in terms of which dimensions they view as important. Initial researchers of organizational climate assumed that the variables or construct could be explained by observing at only a limited number of dimensions. The initial dimensions were autonomy, structure, rewards and consideration, support. At present researchers understood that these dimensions are only to consider the field of organizational climate and over many times and due to rapidly changing scenario more climate dimensions were identified. Only a few studies considered human relations as core dimensions to predict organizational climate. Thus this study will consider only human relation dimensions to predict organizational climate.

## STATEMENT OF PROBLEM

Any organization success is directly dependent upon effective management of organizational climate. Organization at present are required to establish a supportive, accommodating work environment with effective information and communication system that allow employees to related to and learn from each other working inside the organization. Though the organizational climate is an important aspect in human resource management, organizational climate contains a lot of inconsistencies and ambiguity, thus there is a need for further investigation.

Although the organizational climate is an important aspect of any organization research, organizational climate contains a lot of ambiguity and inconsistencies, thus highlighting the need for further investigation (Zeeman, 2005). Most of the organization concentrating to measure only job satisfaction of employees but fails to measure the antecedents of job satisfaction. Also, the organization does not identify the impact of organizational climate towards employee withdrawal behavior. More specifically, reasons for absenteeism, lateness and turnover intentions. As there is plenty of research available on organizational climate and its relationship with different organizational and individual outcomes, it is very important to identify how organizational climate directly influence employee withdrawal behavior in service sectors, especially in BPOs.

## **OBJECTIVES**

- To study various human relation dimensions related to organizational climate
- To identify the employee perception towards present organizational climate
- To examine the impact of organizational climate on employee withdrawal behavior.

## **HYPOTHESES**

- Human relation dimensions create a positive and significant impact on organizational climate.
- Organizational climate creates a positive and significant impact in reducing absenteeism and lateness.
- Organizational climate creates a negative and significant impact on turnover intention.

## **METHODOLOGY**

There were several research designs within the research design. The most important types of research design are case study methods, cross-sectional and comparative research design etc. However, in this study, the researcher adopted cross-sectional research design to collect data from the respondents. The researcher adopted cross-section research design over other forms of research designs because of resource constraints of the researchers in terms of time and money (Punch, 2005, Saunders et al., 2009, Zikmund et al., 2009, Sekaran and Bougie, 2010).

## **POPULATION AND SAMPLING**

The population consists of only employing working at the middle and senior level in leading business process outsourcing (BPO) organizations in Tiruchirappalli. In Tiruchirappalli, there are six leading BPOs functioning effectively. As the BPOs function is the shift system and the attrition rate is very high in BPO industries, the exact population varies from time to time. The employees working at the middle and senior level were approached and explained the purpose of the research. The employees who accepted to participate in the research survey are considered as the sample. The structured questionnaires were distributed and collected later. Like which 250 questionnaires were distributed, out of which 232 returned, in which 220 are at usable state. Thus convenient sampling technique will be appropriate for the study.

In this study, both primary and secondary data were considered. The primary data were collected from the structured questionnaire. The questionnaire consists of 6 dimensions (Autonomy, Integration, Participation, Supervisory Support, Training and Welfare), 30 individual statements to measure organizational climate. To measure the employee withdrawal behavior, three dimensions are considered. The dimensions are absenteeism, lateness, and intention to turnover.

Each dimension consists of three individual statements to measure the respective dimension. All the individual statements are measured with the help of five points Likert scaling technique. To analyze the hypotheses, the statistical package Advance Moments of Structures was utilized.

## SCOPE AND LIMITATION OF THE STUDY

The study measured organizational climate based on dimensions related to human relations. Other dimensions like the open system, Rational Goal, and Internal process were not considered for the study. Only three dimensions Absenteeism, Lateness and Intention to turnover are considered as the output dimensions. The study considered only 6 leading BPO employees working at middle and senior level. Entry-level employees and newly recruited employees are not considered for the study.

## RESULTS AND DISCUSSIONS

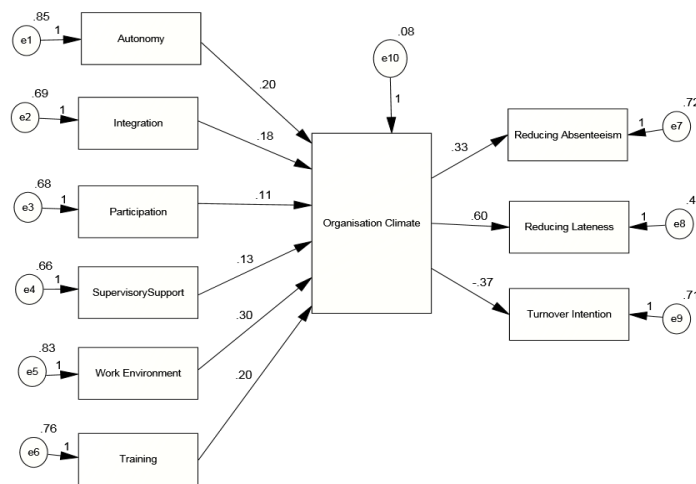


Figure 1: Modeling Organizational Climate based on Human Relation Dimensions

## HYPOTHESES RESULTS

Table 1

Hypotheses			Estimate	S. E.	C. R.	P
Organization Climate	<---	Integration	.183	.023	7.958	***
Organization Climate	<---	Participation	.106	.023	4.577	***
Organization Climate	<---	Supervisory Support	.128	.024	5.431	***
Organization Climate	<---	Work Environment	.303	.021	14.472	***
Organization Climate	<---	Training	.202	.022	9.212	***
Organization Climate	<---	Autonomy	.200	.021	9.642	***
Absenteeism	<---	Organization Climate	.330	.111	2.960	.003
Lateness	<---	Organization Climate	.599	.086	6.951	***
Turnover Intention	<---	Organization Climate	-.372	.111	-3.341	***

The above table shows the results of the hypotheses. All the hypotheses formulated for the study were accepted. All the model fit indexes were at the acceptable level. The regression weights showed that work environment created highest impact towards organizational climate, followed by Training, Autonomy, Supervisor support, Integration and finally participation. The critical ratio table shows that all the dimensions are highly significant. The Organizational climate created a significant impact on reducing lateness and absenteeism. Finally, Organizational climate creates significant and negative impact towards turnover intention.

The result showed that Work environment, Training, and Autonomy are the strongest predictors of organizational climate. Comparatively Integration, Participation, Supervisory Support are weak predictors of organizational climate. In the Output dimension organizational climate comparatively, reduce more employees lateness than absenteeism.

The result showed that the extent of interdepartmental trust and co-operation, employees have considerable influence over decision making and the extent to which employees experience to support and understanding from their immediate supervisor were low.

## **MANAGERIAL IMPLICATIONS**

To increase integration, top-level management may increase better internal mobility, improved ability to quickly respond to changing business needs, better workforce alignment to overall organization strategy, and finally can reduce administration overheads and costs.

To improve participation High revenue per employee can be increased by setting an achievable target. The communication system should include all level of employees in decision-making process and in planning phases.

To increase supervisor support, all level of employees should understand cooperation is the key to success. The supervisor should inspire employees by appreciating their work, and recognizing their work by giving instant incentives, free lunch, corporately branded swag, and gift cards.

## **CONCLUSIONS**

At present, the organizational climate in the selected study units is at a satisfactory level. But to increase the level of organizational climate, the management should give additional importance for Integration, Participation and Supervisory Support. The top-level management should periodically measure the level organizational climate to predict the employee intention to turnover. The management must consider the organizational climate as a tool to predict the employee level of absenteeism and lateness.

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